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Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

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September 29, 2009

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

RECOMMENDATION TO RESTRUCTURE THE GENERAL RELIEF PROGRAM (ALL DISTRICTS – 3 VOTES)

SUBJECT

On April 21, 2009, on a motion by Supervisor Knabe, your Board instructed the Chief Executive Office (CEO), in collaboration with the Department of Public Social Services (DPSS), and in consultation with County Counsel, to design a potential General Relief (GR) Program that will better assist the more than 82,000 GR participants.

IT IS RECOMMENDED THAT YOUR BOARD:

- 1) Approve the recommendations by the GR Restructuring Workgroup set forth in Attachment 1.
- 2) Approve the allocation of the \$7.2 million NCC for GR restructuring included in the Fiscal Year (FY) 2009-10 DPSS budget, as recommended by the GR Restructuring Workgroup and set forth in Attachment 2.
- 3) Instruct the DPSS and the CEO to work with the GR Restructuring Workgroup to develop implementation and evaluation plans for the recommendations set forth on Attachment 1 and consider additional recommendations and submit such implementation and evaluation plans and additional recommendations for Board approval by December 15, 2009.

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
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MICHAEL D. ANTONOVICH
Fifth District

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Since 1901, the County has administered the GR Program to provide temporary cash aid to indigent adults who are ineligible for federal or State programs. In FY 2008-09, the County spent a total of \$167 million in grant payments to an average of 75,000 GR participants each month. For FY 2009-10, the present economic environment has significantly increased the demand for assistance to over 84,000 persons aided and that number is projected to increase throughout the current fiscal year. It is estimated that the FY 2009-10 GR Program grant cost will rise to over \$200 million.

As of June 30, 2009, there are 82,368 participants in the GR Program, of whom approximately 48,000 are considered to be unemployable, either temporarily or permanently, constituting 57% of the caseload. Additionally, we estimate that as much as 60% of the GR caseload is homeless. Unemployability and homelessness both affect over half of the GR population, and both are targeted in this comprehensive plan to restructure the GR Program.

Half of the homeless individuals in the County are GR participants, therefore, redesigning the GR Program must be at the heart of the County's effort to prevent and reduce homelessness among individuals. Efforts to redesign the GR Program began ten years ago with the ongoing implementation of many projects that were designed to improve the effectiveness and efficiency of the GR Program. The following projects have yielded positive results by focusing on SSI advocacy, employment preparation and housing services, which serve as a foundation for the plan to restructure the GR Program (more information on each is provided in Attachment 3):

CURRENT SERVICES IN THE GENERAL RELIEF PROGRAM

General Relief Security Income and Medi-Cal Advocacy Program (SSIMAP)

DPSS began providing SSI Advocacy services on a small scale to disabled GR participants during the 1980s. Currently, the GR SSIMAP Program provides SSI advocacy services to help physically and mentally disabled GR participants apply for SSI, obtain early SSI approval, and become self-sufficient.

Mandatory Substance Abuse Recovery Program (MSARP)

The MSARP Program, implemented on November 1, 1997, was developed jointly between DPSS and the Department of Public Health (DPH) to help GR participants recover from alcohol and/or drug dependency. DPSS staff, using methods of dependency recognition, refer GR participants to DPH's contracted Community Assessment Services Centers (CASC) for an assessment. The CASC refers the GR participant to contracted treatment agencies for appropriate treatment.

General Relief Opportunities for Work (GROW)

The GROW Program was implemented in February 1999, as both a pathway for employable GR recipients to move from welfare-to-work, and to comply with the requirements of W&I Code Sections 17000.6 and 17200. The goal of GROW is to transition employable GR recipients into the labor force.

HPI: DPSS/Department of Health Services (DHS) Homeless Release Project

The DPSS/DHS Homeless Release Project was implemented July 25, 2006, as a joint project between DPSS and the Department of Health Services to prevent or reduce homelessness for patients discharged from DHS medical facilities by connecting eligible individuals with DPSS benefits, including housing vouchers and services upon discharge. The Project was expanded in September 2008, to include two private hospitals, White Memorial Hospital and Hollywood Presbyterian Hospital.

HPI: General Relief Housing Subsidy and Case Management Project

The GR Housing Subsidy and Case Management Project was implemented July 25, 2006, and is designed to determine if assisting the homeless GR population with a rent subsidy and coordinating access to other necessary supportive services reduces homelessness, increases employment, and/or increases early receipt of Supplemental Security Income (SSI) benefits. The subsidy can be as much as \$300 for a single person, \$600 for a couple. Each participant pays \$136 from his/her GR benefits.

DPSS/SHERIFF Homeless Release Project

The DPSS/Sheriff Homeless Release Project was implemented August 15, 2006, and was developed jointly between DPSS and the Sheriff's Department to prevent or reduce homelessness for inmates being discharged from Century Regional Detention Facility (CRDF) and Men's Central Jail (MCJ). Inmates who will be homeless upon release are screened for potential eligibility prior to release, and if eligible, benefits are approved and issued on the day of release.

General Relief-to-Supplemental Security Income (GR-to-SSI) Project

The GR-to-SSI Project was implemented on September 17, 2008, to assist the 1,000 GR participants who have been receiving GR benefits for the longest consecutive period of time transition to SSI. This Project provided a comprehensive physical and/or mental health evaluation and medical write-up evaluation services through a contract with QTC Medical Group (which expired on July 31, 2009), and continues to provide intensive case management, all of which are essential to early approval for SSI.

CEO SERVICES INTEGRATION BRANCH (CEO-SIB) STUDIES

General Relief Housing Subsidy and Case Management Project

The CEO-SIB has completed its study of the GR Housing Subsidy and Case Management Project, which was transmitted to your Board on September 8, 2009. The results show that participation in the GR Housing Subsidy and Case Management Pilot Project makes an important difference in the lives of homeless GR recipients.

- Employable GR recipients participating in the pilot were almost twice as likely to find jobs as recipients in a control group of GR recipients who did not participate in the pilot.
- While 75 percent of the employed pilot participants observed for this study found their jobs during the same quarter they entered the pilot, only 50 percent of the employed GR recipients in the control group found jobs during the same quarter in which they entered GR.
- The SSI application approval rate of almost 50 percent for the pilot participants was twice as high as the SSI approval rate observed in a control group of disabled GR recipients. Moreover, the number of SSI approvals in the observed group of pilot participants was five times higher than the number of approvals in the control group.
- Pilot project participants who had a history of homelessness prior to the pilot project were three times more likely not to relapse into homelessness once they left the project, as compared to GR recipients who did not participate in the pilot project.
- The GR recipients who did not participate in the Project were 7.4 times more likely to become homeless while receiving GR benefits, than those who did participate in the Project.
- It is estimated that the current GR rental subsidy program generates an \$11 million net reduction in the utilization of County services over two years for 900 participants.
- For 900 disabled GR Housing Subsidy participants, the savings for the post-program year are estimated to be almost \$12 million, yielding a two-year net savings of over \$19 million based on a conservatively estimated 30 percent SSI approval rate. An additional ten percent increase in the SSI approval rate would yield another \$2 million in savings over two years.

A complete copy of the conclusions and policy recommendations are included as Attachment 4.

Adult Linkages Project

The CEO-SIB has also recently completed the study of the Adult Linkages Project (ALP). The ALP was conducted to determine the complete cost to the County for providing services to the GR Program participants. The study looked at expenditures by DPSS, Department of Children and Family Services (DCFS), Community and Senior Services (CSS), Department of Health Services (DHS), Department of Mental Health (DMH), Probation, Department of Public Health (DPH), and Los Angeles Sheriff Department (LASD). The results of this study showed that for every dollar spent in GR grant payments; \$4.34 is spent by County departments other than DPSS.

Using this projection, the total cost to the County for GR participants for FY 2009-10 will be approximately \$1 billion dollars. In order to reduce overall County costs, the researchers recommend expanding efforts for participants potentially eligible to SSI in getting their benefits approved as quickly as possible, and to expand the housing options for participants. The final ALP report was provided to your Board on July 28, 2009.

The Adult Linkages Project has shown that a stable living environment is instrumental in reducing the cost of the GR participant's usage of other County department's services. In addition, the GR participant is more likely to become self-sufficient through employment, or eligible to federal SSI and Medi-Cal benefits, in a much quicker and efficient manner when they are provided stable housing and easier access to supportive services.

RESTRUCTURING GR

The projects implemented by DPSS, with the collaboration of other County departments, and the studies by the CEO-SIB, have shown the importance of the following factors in enhancing the lives of indigent adults and simultaneously reducing the GR population and dependence on the GR Program:

- A stable housing environment;
- Early detection and treatment of chemical dependency;
- Effective preparation for employment; and
- Aggressive advocacy for federal disability benefits and services.

On April 21, 2009, on a motion by Supervisor Knabe, your Board instructed the CEO, in collaboration with the DPSS, and consultation with County Counsel, to design a potential GR program that will better assist the more than 84,000 GR participants. In an interim response to Supervisor Knabe's motion on June 19, 2009, your Board was notified of our intention to develop an action plan to restructure the GR program to better address the need to reduce homelessness, increase employment, and transition GR participants to State/federal assistance programs. Your Board was notified that the next steps to be taken by the CEO and DPSS would be to:

- conduct a review of the GR program to determine possible enhancements;
- work with the State to determine if a portion, or all, of the housing subsidy payment for employable GR participants could be reimbursed at the rate of 50% by federal reimbursement through the Food Stamp Employment and Training (FSET) Program;
- incorporate the findings and recommendations in the Adult Linkages Project (ALP) and the GR Housing and Case Management Pilot Evaluation Reports;
- convene an inter-departmental workgroup consisting of the CEO, County Counsel; and other County Departments' staff, as well as community stakeholders, to outline an approach to restructuring GR.

On July 15, 2009, the CEO and DPSS met with representatives from DHS, DPH, Sheriff's, Probation, CSS, and County Counsel to discuss the results of the ALP, the commitment to redesign the GR Program, and five possible strategies to redesign GR. On the same day, the Homeless Board Deputies Meeting was held to discuss GR redesign. Representatives from each facet of the advocate community were invited to the meeting and were offered an opportunity to participate in the workgroup to redesign the GR Program. The GR Redesign workgroup is comprised of 11 County Departments and 10 community stakeholders. Attachment 5 contains a listing of all organizations in the workgroup. The GR Redesign workgroup met for a period of five weeks, commencing on July 29, 2009 and concluding on September 2, 2009. The purpose of the workgroup was to discuss possible methods of redesigning the GR Program to enhance the lives of indigent adults and control County costs.

The workgroup developed a total of 152 recommendations, which were placed into five categories: ALP, Housing, SSI Advocacy, Employment, and Other. The recommendations were discussed and modified, as necessary. The workgroup was able to reach consensus to support 45 recommendations, which were then consolidated into 27 recommendations which are set forth in Attachment 1. Key recommendations include:

- Expansion of the rental subsidies for homeless GR participants pursuing employment or SSI/veterans benefits to 10,000 subsidies by December 2014 (recommendation # 5).

- Replacement of the current employability screening with a more extensive disability assessment (recommendation # 8).
- Customization of GROW for specific populations and extension of GROW on a voluntary basis to partially disabled participants (recommendation # 12).
- Enhanced coordination among County departments serving GR participants (recommendations # 2, 3, 9, 11, 13, 15 & 21)
- Establishment of a GR anti-homelessness account in the CEO to capture GR grant savings from increased SSI approvals and employments for participants receiving a rental subsidy, which will be reinvested in expanded rental subsidies (recommendation # 27).

The DPSS budget for FY 2009-10 contains \$7.2 million to begin the process of restructuring the GR Program. Attachment 2 shows the proposed expenditure of these funds during FY 2009-10 and FY 2010-11, as recommended by the GR Restructuring Workgroup.

The workgroup agreed to recommend that the development of the comprehensive plan to redesign the GR Program take place in two phases. The first phase would be to compile a list of recommendations, discuss them as a workgroup, and reach consensus on as many recommendations as possible. In the second phase, the workgroup will discuss and seek to reach consensus on the remaining recommendations, and will develop specific details and evaluation plans for the recommendations approved by your Board. We will report back to your Board by December 15, 2009.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendations are consistent with the principles of the Countywide Strategic Plan Goal No. 1, Service Excellence, by providing the public with enhanced service, and Goal No. 4, Fiscal Responsibility, by reducing the overall General Relief caseload.

FISCAL IMPACT/FINANCING

According to the Adult Linkages Project completed by CEO-SIB, the County spends \$4.34 for services to GR participants in departments other than DPSS for each \$1 spent on GR grants. Similarly, the CEO-SIB evaluation of the GR Housing Subsidy and Case Management Project found savings of \$3.67 in Departments other than DPSS for each \$1.00 spent on the GR Housing Subsidy and Case Management Project.

Though this GR Restructuring is designed to generate substantial savings across multiple County departments, the funding for this Restructuring does not depend on the transfer of savings from departments other than DPSS to fund enhanced GR services.

Instead, this restructuring is funded through the following sources that are all within the DPSS GR budget:

1. Redirection of current NCC within the GR administration budget.
2. New federal revenue that will be drawn down by NCC in the GR administration budget.
3. \$7.2 million in one-time NCC in FY 2009-10 Adopted DPSS budget.
4. Interim Assistance Reimbursement of rental subsidies for GR participants approved for SSI.
5. GR grant savings for GR participants who receive a rental subsidy and exit GR due to employment or SSI approval.

The new federal revenue that will be drawn down by NCC in the GR administration budget will come from the following federal funding streams:

- County Services Block Grant (CSBG)-Skilled Professional Medical Personnel (SPMP) funds can be claimed at a rate of 75% federal reimbursement for certain services designed to help disabled GR participants qualify for SSI and Medi-Cal, provided that such services must be rendered by licensed medical personnel who are County employees.
- CSBG-Health Related (HR) funds can be claimed at a rate of 50% federal reimbursement for certain services designed to help disabled GR participants qualify for SSI and Medi-Cal.
- Food Stamp Employment and Training (FSET) funds can be claimed at a rate of 50% for the costs of housing subsidies provided to employable GR participants.

In addition to this new federal funding, the expansion of housing subsidies for disabled GR participants pursuing SSI or veterans' benefits and employable GR participants will result in savings, as follows:

- 100% of the cost of housing subsidies for participants approved for SSI recouped through Interim Assistance Reimbursement.
- 83% of the General Relief grant costs that are reimbursed through IAR for disabled participants who are approved for SSI.
- \$6,900 in future GR grant savings for disabled participants approved for SSI of veterans' benefits.
- \$1,200 in future GR grant savings for employable participants who secure employment and exit GR.

These savings amounts are based on the results of the GR Housing Subsidy evaluation completed by CEO-SIB and transmitted to your Board on September 9, 2009. As specified in Recommendation 27 on Attachment 1, these savings will be deposited in a new GR Anti-Homelessness Services Account in the CEO budget, where they will be reinvested to expand the number of housing subsidies and, if necessary, to sustain other enhanced services included in this GR Restructuring. This reinvestment will sustain and increase savings in the full range of departments other than DPSS that are projected to incur over \$800 million in costs for GR participants in FY 2009-10.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In 2006, in response to the homeless crisis, your Board directed the CEO and County Departments to develop a homeless prevention initiative to reduce homelessness. This comprehensive plan provides a continuum of services that began with the Homeless Prevention Initiative, and support your initial directive. The proposed recommendations will address the long-term needs of GR participants and reduce the cost to the County's health and human services infrastructure associated with participants cycling in-and-out of expensive systems such as emergency room visits and the correctional system.

In 1990, pursuant to the settlement agreement in the City of Los Angeles vs. County of Los Angeles lawsuit, the County agreed to assist participants identified as SSI eligible, due to physical or mental disability, with SSI appeal hearing representation services when SSI is denied at the reconsideration level.

The Welfare and Institutions Code (W&I Code) Section 17000.5 requires Counties to establish a level of aid equal to 62% of the 1991 federal official poverty line in the United States Code, and to adjust that guideline annually thereafter.

Section 17000.6 allows a County to establish a level of aid which is not less than 40 percent of the 1991 federal official poverty line in the United States Code if it would result in a significant financial distress for that County. Once established, the County may maintain this level of aid if the County requires employable individuals to participate while on aid in services equivalent to the CalWORKs welfare-to-work program and these employable participants are allowed to receive benefits for at least nine months in any 12-month period.

Employable individuals must participate in this program as a condition of eligibility for aid. Los Angeles County developed the General Relief Opportunities for Work (GROW) Program in compliance with this section of the W&I Code in February 1999.

Since the enactment of Interim Assistance Program in August 1974, Public Law 93-368 has permitted States and counties to recover from a person's initial SSI check any county or State funds expended for aid during the time the SSI application was pending. DMH and DPSS currently receive reimbursement for interim assistance. DMH receives

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approximately \$80,000 to \$100,000 annually for board and care services provided through their Full Service Partnership Program. DPSS received \$10,025,941 in FY 2008-09 for benefits provided under the GR Program.

This Board Letter has been reviewed by County Counsel.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of this comprehensive plan will enhance programs to serve the County's indigent population through collaboration of the impacted County Departments. Approval will also result in cost reductions related to emergency room visits and incarceration, resulting in savings to the County's Health and Human Service and Justice System. Finally, approval will result in an improved safety net for the County's indigent population by creating improved access to services for homeless individuals.

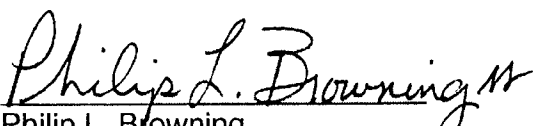
CONCLUSION

The approval of this comprehensive plan to redesign the GR Program will allow more GR participants to achieve self-sufficiency through faster approval of federal SSI benefits, which includes Medi-Cal, thereby decreasing the number of participants receiving GR benefits, and utilizing emergency room services without medical coverage, as well as enabling more participants to obtain stable employment, housing and medical attention.

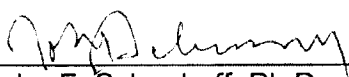
Respectfully submitted,



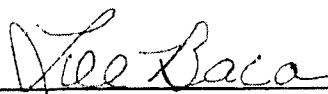
WILLIAM T. FUJIOKA
Chief Executive Officer



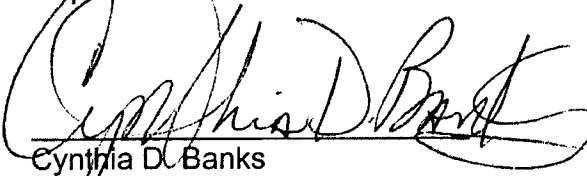
Philip L. Browning
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John F. Schunhoff, Ph.D
Interim Director, Department of Health Services

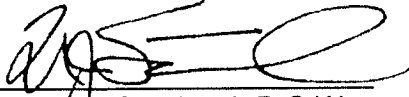


Leroy D. Baca, Sheriff
Los Angeles County Sheriff's
Department

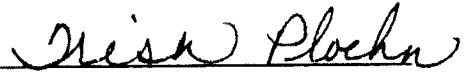


Cynthia D. Banks
Director, Community and Senior
Services

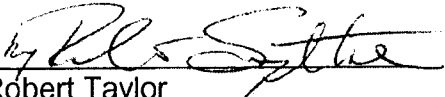
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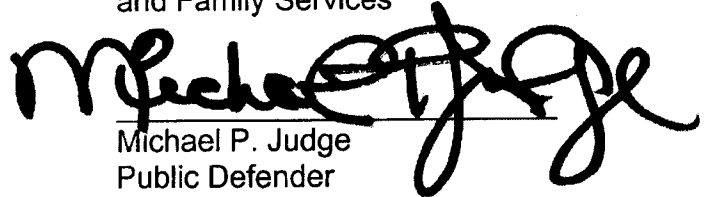
Marvin J. Southard, D.S.W.
Director, Department of Mental Health



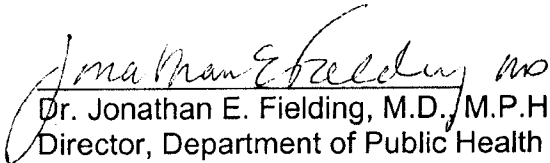
Patricia Ploehn
Director, Department of Children
and Family Services



Robert Taylor
Chief Probation Officer



Michael P. Judge
Public Defender



Dr. Jonathan E. Fielding, M.D., M.P.H.
Director, Department of Public Health

Attachments

WTF:PLB:PA
JRL:LD:CM

c: Acting County Counsel
Executive Officer, Board of Supervisors
Auditor-Controller

GENERAL RELIEF RESTRUCTURE WORKGROUP CONSENSUS RECOMMENDATIONS

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ISSUE: ADULT LINKAGES PROJECT			
	RECOMMENDATION	INTENDED OUTCOMES	FUNDING NEEDED
1.	Subject to applicable confidentiality requirements, use the Adult Linkages Project mechanism to identify the County service history of individual GR applicants/participants, so that applicants/participants can be offered services that take into account the totality of their individual circumstances.	Increased employments and SSI approvals for high-users of other County services due to targeted services for those individuals. Reduction in expenditures for those individuals across County departments. <input checked="" type="checkbox"/> Helps Indigent Adults <input checked="" type="checkbox"/> Controls County Costs	NCC 10/11
2.	The County should develop an innovative service integration model that can support county departments, other governmental entities, and community partners in concurrently serving a shared clientele.	Better outcomes and reduced costs. <input checked="" type="checkbox"/> Helps Indigent Adults <input checked="" type="checkbox"/> Controls County Costs	No cost
3.	<p>Increase integration of services between the Sheriff's Department and DPSS by:</p> <p>A. Developing a plan to enhance the current County jail match to identify individuals who are incarcerated and have a linkage to GR benefits, to provide pre and post-release services and SSI Advocacy that will assist with their re-entry into society.</p> <p>B. Assessing the DPSS/Sheriff's Homeless Release Project to determine its effectiveness.</p> <p>C. Implementing a review protocol to determine whether any outstanding warrants remaining on the GR/SSI applicant's record should be cleared, recalled or withdrawn.</p>	<p>Increased SSI approvals for GR participants who have been incarcerated in County jail.</p> <p><input checked="" type="checkbox"/> Helps Indigent Adults <input checked="" type="checkbox"/> Controls County Costs</p>	No cost

ISSUE: ADULT LINKAGES PROJECT		
	RECOMMENDATION	INTENDED OUTCOMES
	<p>D. Ensuring that probation, parole, and other warrants that should have been satisfied by a GR/SSI applicant's stay in jail have been withdrawn or recalled.</p> <p>E. Appointing a liaison for individuals with outstanding warrants whom advocates and county employees can contact directly to: (1) inquire about the underlying reason and validity of a warrant and (2) assist the SSI advocate in "clearing up" the warrant.</p> <p>F. Referring disabled individuals exiting jail who apply for GR to a SSI advocate/liaison, in order to re-establish SSI benefits and work with agencies (i.e., probation, parole, public defender, courts, etc.) to recall existing warrants.</p> <p>G. Referring disabled individuals exiting jail who do not have SSI benefits to GR SSIMAP for benefits establishment.</p>	
4.	Encourage police agencies to make social services referrals for the homeless and connect them with resources, rather than issuing citations.	<p>Decreased jail costs. Indigent adults stay connected to services, and barriers to employment or SSI eligibility are decreased by avoiding police warrants and vagrancy criminal records.</p> <p><input checked="" type="checkbox"/> Helps Indigent Adults <input checked="" type="checkbox"/> Controls County Costs</p>
		No cost

ISSUE: HOUSING AND HOMELESSNESS		
	RECOMMENDATION	INTENDED OUTCOMES FUNDING NEEDED
5.	<p>Enhance Subsidized Housing by:</p> <p>A. Increasing the total number of housing subsidies to 10,000 by December 2014.</p> <p>B. Increasing the number of housing subsidies for homeless disabled GR participants pursuing, or willing to pursue, SSI and/or veterans benefits, so that 100% of homeless disabled GR participants pursuing SSI and/or veterans benefits are offered a housing subsidy within 5 years.</p> <p>C. Increasing the number of housing subsidies for homeless, employable GR participants.</p> <p>D. As in the current GR Housing and Case Management Project:</p> <p>a. Subsidized housing itself should not be time-limited, allowing people to stay as permanent residents, after they start receiving outside income and can pay for their housing.</p> <p>b. The housing subsidy should be encouraged, but not required.</p> <p>E. Increasing the GR rental subsidy amount from \$300 to \$400 and reduce the participant's contribution from the grant from \$136 to \$100, so the total amount available for rent will be \$500.</p>	<p>Reduced homelessness, increased number of subsidies available to GR participants, increased pool of available housing, diminished overcrowding in housing, increased SSI approvals, reduced NCC and future costs across the County.</p> <p>[X] Helps Indigent Adults: [X] Controls County's Costs</p> <p>NCC 09/10 NCC 10/11</p> <p>Costs will be directly offset by Interim Assistance Reimbursement of full cost of rental subsidies for participants approved for SSI and 50% federal reimbursement of rental subsidies through Food Stamp Employment and Training (FSET) funding for employable GR participants.</p>

ISSUE: HOUSING AND HOMELESSNESS			
	RECOMMENDATION	INTENDED OUTCOMES	FUNDING NEEDED
	<p>F. Pursuing federal reimbursements for housing subsidy payments made to employable GR participants through the Food Stamp and Employment Training (FSET) fund at a rate of 50%; and pursuing reimbursement for housing subsidy payment made to GR participants who are approved for SSI through the Interim Assistance Reimbursement Program, at a rate of 100%.</p> <p>G. Reinvesting the money recouped from SSI (Interim Assistance Reimbursement for housing subsidies) in additional housing subsidies.</p> <p>H. Recruiting participants for the Housing Subsidy and Case Management Program during the GR intake process and making additional efforts throughout the course of case management to encourage participants to remain in the Housing Subsidy and Case Management Program and identify causes of participants dropping out of the subsidy.</p>		
6.	Implement a pilot project (subject to a cost benefit analysis) by master leasing and/or purchasing foreclosed apartment buildings and/or multi-family housing units and/or dorm-like housing to be provided for the indigent homeless population. This housing should be owned and/or operated by a non-profit housing developer and/or homeless service provider with expertise in managing housing with services.	<p>Increased housing opportunities and facilitated linkage to supportive services.</p> <p><input checked="" type="checkbox"/> Helps Indigent Adults</p> <p><input checked="" type="checkbox"/> Controls County's Costs</p>	Non-NCC funding to be identified

ISSUE: HOUSING AND HOMELESSNESS			
	RECOMMENDATION	INTENDED OUTCOMES	FUNDING NEEDED
7.	<p>Address supportive housing needs by:</p> <p>A. Exploring housing options for mentally ill Participants through City and County Housing Authorities and other smaller Housing Authorities throughout LA County.</p> <p>B. Identifying and leveraging County funding for housing resources and related services that already receive county funding or support.</p>	<p>Decreased homelessness and enhanced participation in work activities. Expedited movement back into the workforce or to SSI.</p> <p>[X] Helps Indigent Adults</p> <p>[X] Controls County's Costs</p>	No cost

ISSUE: SSI ADVOCACY			
	RECOMMENDATION	INTENDED OUTCOMES	FUNDING NEEDED
8.	<p>Subject to detailed operational and fiscal planning during Phase 2 of the GR Restructuring process, eliminate the current cursory employability/NSA screening and replace it with a more extensive medical/mental health disability assessment performed by (1) DMH, (2) DHS or possibly DPH, and/or (3) DHS Public Private Partners. For permanently disabled participants in need of additional documentation to support their SSI applications, a comprehensive medical/mental health evaluation would be performed. The extensive assessments and the comprehensive medical and mental health evaluations and write-ups will be funded with 50 - 75% new federal revenue.</p>	<p>Better evaluations of GR participants' capabilities and identification of those who are employable or potentially eligible to SSI.</p> <p>Reduction in participants categorized as temporarily unemployable. Enhanced documentation of disability for participants pursuing SSI.</p> <p>[X] Helps Indigent Adults</p> <p>[X] Controls County's Costs</p>	<p>NCC 10/11 and the redirection of NCC from current employability screening and NSA evaluations to draw down new federal revenue</p>
9.	<p>DHS, DMH, and LASD to retrieve medical and mental health records on behalf of GR participants to support their disability claim for SSI. Most of the costs will be funded with 75% new federal revenue.</p>	<p>Better documentation of health and mental health disabilities increasing SSI approvals and reducing length of time on GR.</p> <p>[X] Helps Indigent Adults</p>	<p>NCC 09/10</p> <p>NCC 10/11 and associated federal</p>

		[X] Controls County's Costs	revenue
10.	Maximize the claiming of retroactive Medi-Cal for GR participants who qualify for SSI and Medi-Cal.	Additional revenue for DHS and DMH. [] Helps Indigent Adults [X] Controls County's Costs	Increased revenue
11.	Integrate the Public Defender into SSI Advocacy where GR participants are already clients of the Public Defender and advocacy can be combined with clients' representation in court.	Increased SSI approvals [X] Helps Indigent Adults [X] Controls County's Costs	May or may not have cost

ISSUE: EMPLOYABILITY/EMPLOYMENT			
	RECOMMENDATION	INTENDED OUTCOMES	FUNDING NEEDED
12.	<p>Modify the GROW Program to:</p> <ul style="list-style-type: none"> A. Customize services to individuals who are classified as: <ul style="list-style-type: none"> a. Transitional Age Youth (TAY); b. veterans; and c. participants exiting Mandatory Substance Abuse Program (MSARP). B. Create a new voluntary category of GR participants who will be classified as employable with accommodations and will be referred to a new GROW component designed to provide employment services for individuals who can work with accommodations. Volunteers would not be subject to sanctions. C. Enhance services for Needs Special Assistance (NSA) participants by providing them voluntary employment 	<p>Increased employments and services to Transitional Age Youth (age 18-24) and the development of program efficiencies.</p> <p>[X] Helps Indigent Adults [X] Controls County's Costs</p>	<p>NCC 10/11 and associated federal revenue and existing DCFS funding for transition age youth</p>

ISSUE: EMPLOYABILITY/EMPLOYMENT			
	RECOMMENDATION	INTENDED OUTCOMES	FUNDING NEEDED
	<p>preparation services and mental health treatment through the GROW Program. Volunteers would not be subject to sanctions.</p> <p>D. Establish collaboration between DPSS, DCFS, and Probation to provide enhanced services to GROW participants ages 18-24 who come out of foster care and probation.</p> <p>E. Develop a comprehensive and ongoing evaluation plan of GROW to track outcomes for GR participants, including, but not limited to, education and training outcomes, length of employment obtained through GROW, and recidivism.</p>		
13.	Establish collaboration between DPSS and the Probation Department to reduce the number of Emerging Adults (age 18-24) applying for GR benefits.	<p>Reduction in Emerging Adults (age 18-24) on probation who apply for GR benefits</p> <p><input checked="" type="checkbox"/> Helps Indigent Adults</p> <p><input checked="" type="checkbox"/> Controls County's Costs</p>	No NCC cost
14.	Pursue federal reimbursement through FSET, at a rate of 50%, for mental health, domestic violence, and, to the extent possible, substance abuse services provided to GROW participants.	<p>Reduces NCC for these services.</p> <p><input checked="" type="checkbox"/> Helps Indigent Adults</p> <p><input checked="" type="checkbox"/> Controls County's Costs</p> <p>Increased employments</p> <p><input checked="" type="checkbox"/> Helps Indigent Adults</p> <p><input checked="" type="checkbox"/> Controls County's Costs</p>	Increased revenue
15.	Establish collaboration with CSS, LA City, and all other Workforce Investment Boards to provide job services and employment opportunities through the WorkSource centers, geared toward both youth and adult GROW participants.		No cost

ISSUE: EMPLOYABILITY/EMPLOYMENT			
	RECOMMENDATION	INTENDED OUTCOMES	FUNDING NEEDED
16.	Expand GROW to include GED preparation	Increased employment placements <input checked="" type="checkbox"/> Helps Indigent Adults <input checked="" type="checkbox"/> Controls County's Costs	No cost

ISSUE: OTHER			
	RECOMMENDATION	INTENDED OUTCOMES	FUNDING NEEDED
17.	Conduct a comprehensive study of the Mandatory Substance Abuse and Recovery Program (MSARP) to evaluate its effectiveness. A. DPSS and DPH-ADPA will evaluate the redesign of MSARP based upon the results of the evaluation. B. Use the evaluation outcomes and DPH-ADPA Rate Study to inform a resolicitation process for GR services. C. Evaluate the need for substance abuse treatment services for emerging adults ages 18-24 and the need to design specialized treatment services for this population.	Recommendations from the CEO-SIB related to the effectiveness of MSARP and changes needed to be made to the program. <input checked="" type="checkbox"/> Helps Indigent Adults <input checked="" type="checkbox"/> Controls County's Costs	NCC 09/10 (already budgeted)
18.	Develop State and federal legislative/regulatory proposals to assist indigent adults and/or mitigate County costs and work with stakeholders to develop these proposals.	Bring attention to the impact which policy and program decisions at the federal and State level have on the size and cost in County government of the GR program. <input type="checkbox"/> Helps Indigent Adults <input checked="" type="checkbox"/> Controls County's Costs	No cost

ISSUE: OTHER			RECOMMENDATION		INTENDED OUTCOMES	FUNDING NEEDED
19.		DPSS expand data collection for the GR program.			The measurement of program outcomes and the evaluation of potential for program efficiencies. [X] Helps Indigent Adults [X] Controls County's Costs	No NCC cost
20.		Include the GR program in the County's and DPSS' strategic plans.			Focus attention on the size and costs of the program and the program's impact on the community. [X] Helps Indigent Adults [X] Controls County's Costs	No cost
21.		Conduct a pilot having the current Linkages GAIN Services Workers at 2 or 3 small DCFS offices work with the Children's Social Workers to utilize the Transition Conference as an opportunity to connect foster youth with County services.			Connects emancipated youth to services and provides the support needed to attain self-sufficiency. [X] Helps Indigent Adults: [X] Controls County's Costs	No cost
22.		Provide better screening for veterans and better referrals for assistance with claims and strengthen DPSS case management for veterans who are on GR to enable them to qualify faster for veteran's benefits and services.			Will improve likelihood of approval for veterans benefits and movement off of GR. [X] Helps Indigent Adults [X] Controls County's Costs	No cost
23.		Assess and enhance the current mechanisms designed to enable former foster care youth, medically indigent under 21 and probation youth to receive and retain Medi-Cal.			Provide coverage for medical treatment necessary to provide stability and/or to develop disability documents for SSI eligibility.	No cost

ISSUE: OTHER			
	RECOMMENDATION	INTENDED OUTCOMES	FUNDING NEEDED
		<input checked="" type="checkbox"/> Helps Indigent Adults <input checked="" type="checkbox"/> Controls County's Costs	
24.	<p>Increase the GR Participants resources by:</p> <p>A. Allowing GR recipients to remain on GR while saving more money. Permit GR participants to maintain a Restricted Savings Account up to a pre-determined amount for the purpose of saving for housing, education or training expenses, and/or to start a business that would not be countable towards the property limit.</p> <p>B. Helping participants who have child support obligations by:</p> <p>a. Educating workers and participants about the assistance DPSS currently offers to help lower child support payments for participants.</p> <p>b. Work with the Child Support Services Department to reduce child support payments for participants after they leave GR for the first six months they have a job, to allow them to get on their feet before resuming higher child support payments.</p>	<p>Increased likelihood of self-sufficiency and decreased recidivism.</p> <p><input checked="" type="checkbox"/> Helps Indigent Adults <input checked="" type="checkbox"/> Controls County's Costs</p>	<p>No cost to implement, but increased NCC for GR assistance due to additional months of GR assistance within the existing maximum 9-month period of eligibility for employable recipients.</p>
25.	<p>Add positions in GR offices, through September 30, 2010, utilizing TANF emergency contingency funds (ECF) to assist GR participants navigate the GR process. Positions may be filled with GR non-custodial parents who qualify for ECF-funded subsidized employment.</p>	<p>GR applicants/participants have fewer problems complying with GR program rules.</p> <p><input checked="" type="checkbox"/> Helps Indigent Adults <input checked="" type="checkbox"/> Controls County's Costs</p>	<p>Additional costs funded through the TANF Emergency Contingency Fund - No NCC</p>

ISSUE: OTHER			
	RECOMMENDATION	INTENDED OUTCOMES	FUNDING NEEDED
26.	CEO-SIB conduct an evaluation of GR program mandates, rules, time limits, sanctions, operational processes, and data limitations, including a cost/benefit analysis.	Recommendations from the CEO-SIB related to the effectiveness of sanctions, time limits, and GR operational processes. [X] Helps Indigent Adults [X] Controls County's Costs	NCC 09/10
27.	Establish a GR Anti-Homelessness Account in the CEO's budget to fund enhanced services to reduce GR homelessness. Fund this account with savings from enhanced GR services, including but not limited to GR grant savings for participants who receive a rental subsidy and secure employment/SSI, and Interim Assistance Reimbursement for rental subsidies for GR participants who qualify for SSI.	Reduced homelessness, increased SSI approvals, and increased employments. [X] Helps Indigent Adults [X] Controls County's Costs	No cost to establish account

GENERAL RELIEF RESTRUCTURE

Proposed Utilization of \$7.2 Million NCC in FY 2009-10 DPSS Budget

	FY2009-10	FY 2010-11
Document Retrieval Services for GR Participants	\$269,576 – NCC \$465,580 – New Federal Revenue \$735,156 - Total Funding Projected Number of Records Retrieved: 3,120 (January – June 2010)	\$ 539,152 – NCC \$ 931,160 – New Federal Revenue \$1,470,312 - Total Funding Projected Number of Records Retrieved: 6,240
Expanded Housing Subsidies	\$1,313,757 – NCC ⁽¹⁾ \$ 597,162 – New Federal Revenue \$1,910,919- Total Funding Projected Number of Additional Subsidies: 640 ⁽²⁾ (January – June 2010)	\$2,627,515 – NCC ⁽¹⁾ \$1,194,324 – New Federal Revenue \$3,821,839- Total Funding Projected Number of Additional Subsidies: 640 ⁽²⁾
Enhanced Health/Mental Health Assessment/Evaluations	\$0	\$ 500,000 – NCC ⁽³⁾ \$1,500,000 – New Federal Revenue \$2,000,000 Total Funding Projected Number of Assessments/Evaluations: 29,000 (December 2010 – June 2011)
CEO-SIB Study of GR program mandates, rules, time limits, sanctions, and operational processes.	\$200,000 – NCC	\$0
GROW Enhancements/Expansion	\$0	\$ 750,000 – NCC \$ 750,000 – New Federal Revenue \$1,500,000 – Total Funding Projected Number of Additional Slots: 880
To Be Determined during Phase II	\$0	\$1,000,000 – NCC
Total:	\$1,783,333 – NCC \$1,062,742 - New Federal Revenue \$2,846,075 - Total Funding	\$5,416,667 – NCC \$4,375,484 - New Federal Revenue \$9,792,151 - Total Funding

- ⁽¹⁾ The NCC for rental subsidies for disabled GR participants will be fully reimbursed through Interim Assistance Reimbursement (IAR) for those participants who are approved for SSI, and that reimbursement will be reinvested in additional rental subsidies.
- ⁽²⁾ Additional slots will become available as the County is reimbursed the full cost of the housing subsidy through IAR. These funds will be reinvested in the project to fund additional slots.
- ⁽³⁾ This funding will supplement the current NCC which funds GR employability screening and the DMH NCC which pays for NSA evaluations. That existing funding is recommended to be re-directed for enhanced assessments/evaluations, where it will draw down 50%-75% federal revenue. The projected number of participants to be served is determined by redirection of this funding, plus the new proposed funding.

CURRENT SERVICES IN THE GENERAL RELIEF PROGRAM

GR SUPPLEMENTAL SECURITY INCOME AND MEDI-CAL ADVOCACY PROGRAM (SSIMAP)

The GR SSIMAP Program provides SSI advocacy services to assist physically and mentally disabled GR participants apply for SSI, obtain early SSI approval, and become self-sufficient. Once approved, individuals are eligible for \$850/month on SSI, instead of \$221 on GR. In addition to the increased income, individuals approved for SSI benefits are automatically eligible to receive Medi-Cal benefits, which greatly reduce the County costs for medical services. On average, approximately 10,000 individuals are served through GR SSIMAP on an annual basis, with an approval rate of approximately 50%. The Hearing level of SSI advocacy is a contracted service and the contractor has an approval rate for SSI appeals of approximately 62%.

The lack of medical history and a comprehensive medical documentation are the primary reason that the majority of applicants are not approved at the initial application stage.

Federal law allows the County to recoup its GR payments when the individual is approved to SSI through the Interim Assistance Recovery (IAR) Program. With 5,634 participants being approved for SSI in FY 08-09, the County recouped \$10,047,216.

MANDATORY SUBSTANCE ABUSE RECOVERY PROGRAM

The Mandatory Substance Abuse Recovery Program (MSARP) was developed jointly between DPSS and the Department of Public Health (DPH) to help GR participants recover from alcohol and/or drug dependency. DPH has developed training for DPSS employees who have direct access to GR participants in order to identify possible trouble signs in order to make a referral to contracted Community Assessment Services Centers (CASC). The CASC will then refer the GR participant to contracted treatment agencies for appropriate treatment. Upon successful completion of treatment, the agency will assist the participant with supportive services to transition to employment and secure housing.

On average, 836 GR participants are assessed each month, and 621 receive treatment at a total annual cost of \$7,588,500. In FY 2009-2010, the CEO-SIB will conduct a study to determine the effectiveness and efficiency of the MSARP Program. Findings from the study will be used to enhance DPH services to the GR population.

GENERAL RELIEF OPPORTUNITIES FOR WORK (GROW)

The GROW Program was implemented due to the requirements of the W&I Code Section 170000.6, which reads "The County shall, within six months of the County's implementation of this subdivision, require employable individuals to participate while on aid under this part in services equivalent to the welfare-to-work program provided for

pursuant to Article 3.2 (commencing with Section 11320) of Chapter 2 of Part 3. Employable individuals shall participate in this program as a condition of eligibility.” This Section further allows the County to keep the grant at the level established when mandate relief was in effect - \$221/month for one person. Supportive services, such as mental health, substance abuse and domestic violence are provided on an as-needed basis. Some of the GROW components are:

- Job Club services through its Job Skills Preparation Class and its Fastrak components;
- Education/training through an inventory of education/training institutions that serves both GAIN and GROW participants; and
- Customized services through an Office Occupations and a Security Officer class.

GROW places an average of 10,000 participants into employment each year. From the time of implementation, GROW has placed 107,287 participants in jobs. GROW staff has been able to develop relationships with prospective employers that offer job opportunities to GROW participants.

As part of the American Recovery and Reinvestment Act (ARRA), additional projects are being developed to further assist GROW participants succeed in their search for financial independence:

- Community Services Block Grant (CSBG) ARRA Youth Project: Will provide subsidized employment to a selected group of GROW homeless youth.
- Homeless Prevention and Rapid Re-Housing (HPRP) Project: Will provide subsidized housing to a selected group of GROW homeless youth.
- Non-Custodial Parents – Emergency Contingency Fund (ECF) Project: Will provide subsidized employment to GROW participants who are non-custodial parents.
- GROW has referred youth GROW participants to the WorkSource Centers offering subsidized jobs through the ARRA Summer Youth Program.

GROW participants need supportive services to achieve self-sufficiency. Many employers require that job candidates have no criminal background, and must be able to pass a drug test. Many GROW participants are unable to meet these requirements. The GROW Program offers referrals for expungements of qualifying criminal records through the Expungements, Homeless Court and Homeless Alternative to Living On the Streets (HALO) programs.

HPI: DPSS/DHS Homeless Release Project

The DPSS/DHS Homeless Release Project was developed jointly between DPSS and DHS to prevent or reduce homelessness for patients discharged from DHS medical facilities. In order to prevent these participants from being homeless upon discharge, DPSS staff is co-located at LAC+USC Medical Center, and provides services on an as needed basis to the Harbor-UCLA Medical Center, Martin Luther King Medical Center, and Olive View Medical Center. DPSS expanded this Project in September 2008, to

include two private hospitals, White Memorial Hospital and Hollywood Presbyterian Hospital. The Project is designed to address the needs of potentially homeless individuals being discharged by connecting eligible individuals with DPSS benefits upon discharge, including housing vouchers and services, to prevent homelessness. By providing cash benefits and housing assistance upon discharge, patients are less likely to be discharged into homelessness. As of June 2009, 410 patients have received benefits through this project.

HPI: General Relief Housing Subsidy and Case Management Project

The GR Housing Subsidy and Case Management Project is designed to determine if providing the homeless GR population with a rent subsidy and coordinating access to other necessary supportive services reduces homelessness, increases employment, and/or increases early approval of Supplemental Security Income (SSI) benefits. The GR Housing Subsidy can be up to \$300 for a single person case, or \$600 for a couple case. Each participant must pay \$136 from their GR benefits in order to qualify for the Project. This Project serves a total of 900 participants at a time, 300 in each of the following categories: GR participants who are potentially eligible for SSI benefits; GR participants who are chronically homeless; and employable GR participants. The recent CEO-SIB study has shown that participants in this Project have a much higher chance to transition to employment and to have their SSI benefits approved. As of June 2009, 893 GR participants are actively participating in this Project, and 2,512 have received rental subsidies under this Project, since inception.

HPI: DPSS/SHERIFF Homeless Release Project

The DPSS/Sheriff Homeless Release Project was developed as a joint Project between DPSS and the Sheriff's Department to prevent or reduce homelessness for inmates being discharged from Century Regional Detention Facility (CRDF) and Men's Central Jail (MCJ). Inmates who state that they will be homeless upon release are screened for potential eligibility to DPSS Programs prior to release, and if eligible, benefits are approved and issued on the day of release. Benefits are issued via the on-site DPSS cashier at MCJ, and if needed, couriered for inmates at CRDF. By providing cash benefits and housing assistance upon release, inmates are less likely to be released into homelessness. As of June 2009, 4,412 inmates have received benefits through this project.

GENERAL RELIEF-TO-SUPPLEMENTAL SECURITY INCOME (GR-TO-SSI) PROJECT

The GR-to-SSI Project was implemented to assist the 1,000 GR participants who have been receiving GR benefits for the longest consecutive period of time transition to SSI. An integral part of the Project is the comprehensive physical and/or mental evaluation and medical write-up required for approval of SSI. In addition to this comprehensive examination, these participants receive financial incentives and ancillary payments to encourage them to complete all phases of this Project. District Staff were assigned a caseload of 50, which is much lower than the average caseload for DPSS SSI

Advocacy Staff. The reduced caseload is needed in order to provide comprehensive case management. If approved, these individuals receive \$850 per month on SSI, compared to \$221 on GR. In addition, these individuals also receive Medi-Cal benefits, instead of health services paid for by the County. When SSI is approved, the GR benefits these individuals received are repaid to the County through IAR.

It has been shown that when participants have a comprehensive physical and/or mental evaluation, with the accompanying write-up, their SSI benefits can be approved much quicker. When this Project was implemented, a projection was made that 200 participants would be approved within the first year. As of July 2009, 213 project participants have been approved for SSI.

THE GENERAL RELIEF HOUSING SUBSIDY AND CASE MANAGEMENT PILOT PROJECT: AN EVALUATION OF PARTICIPANT OUTCOMES AND COST SAVINGS

Conclusions and Policy Recommendations

Participation in the General Relief Housing Subsidy and Case Management Pilot Project makes an important difference in the lives of homeless GR recipients. DPSS' rationale for the pilot, as noted in this report's introductory remarks, has been "to test whether assisting the homeless GR population with a rent subsidy and coordinating access to other necessary services reduces homelessness, increases employment and/or increases receipt of SSI benefits." In all three of these tested areas – employment, SSI eligibility, and homelessness prevention – GR recipients who participated in the pilot fared better than comparable control groups of recipients who were on GR prior to the implementation of the pilot. Employable pilot participants, for example, were almost twice as likely as the control group to gain employment while they were in the pilot. Potentially SSI-eligible participants not only submitted applications at a considerably higher rate than GR recipients in the control group, but also had their applications approved at a rate double that of the control group. Finally, the pilot's homelessness prevention outcomes underscore the way in which the pilot's positive impact endures beyond the period during which GR recipients receive the rental subsidies and enhanced case management made available to them. The extent of homelessness – measured as the percentage of time recipients are homeless over their tenure in the GR program – dropped by 46 percentage points among participants after they left the pilot, as compared with a nine percentage point drop among GR recipients in the control group over the course of their observation period. The difference between the two groups at this level is even starker if the denominator for the pilot group is limited to participants who stayed in the pilot for more than three months, and deeper statistical analysis bears this difference out, showing that control group recipients were 7.4 times more likely to become homeless while on GR relative to pilot participants after they left the pilot.

Participation in the Pilot Yields Significant Cost Savings

These positive outcomes for pilot participants are achieved by means that simultaneously yield millions in annual cost savings. Assuming pilot participants stay in the pilot for one year and remain on GR for one year after they exit the pilot, a comparison of pilot and control groups, adjusted for 900 participants in each group, revealed that annualized service costs were over \$11 million lower for pilot participants over two years. Moreover, these savings have the potential to increase significantly to the extent that DPSS is able to recruit larger numbers of participants into the pilot within two months of their entry into GR.

The analysis of potentially SSI-eligible GR recipients is especially significant in looking at the pilot's potential for cost avoidance. If a 30 percent approval rate for pilot participants is assumed (which is a conservative assumption since this report's outcomes analysis for the potentially SSI-eligible pilot group revealed a 50 percent approval rate), and SSI and Medi-Cal reimbursements are factored into calculations for

those pilot participants gaining SSI approval, then the annualized net savings over two years for a group of 900 disabled pilot participants would be over \$19 million. Savings of this magnitude are critical within the present economic and budgetary context where shrinking pools of resources must meet a growing demand for assistance and services.

Policy Recommendations

The findings offered in this report point towards the conclusion that the GR Housing Subsidy and Case Management Pilot Project should be implemented on a countywide basis and should be an important component in the County's current efforts to restructure the General Relief program. The following list of policy recommendations, each of which is accompanied by relevant findings, are intended to help guide DPSS in the efforts to ensure that a more widely implemented housing subsidy and case management program will continue to produce positive results and build on the success of the pilot project.

Recommendation: *Make additional efforts to recruit participants for the rental subsidy and enhanced case management program at the GR intake interview.*

Relevant Findings:

- While pilot participation yielded cost savings for participants with extended prior exposure to GR (i.e. more than six months on GR prior to entry into the pilot), the two-year annualized savings for such participants were shown to be \$2 million lower than savings for participants who entered the pilot relatively quickly (i.e. within two months of their entry into GR). Furthermore, while the annualized service costs for the group quickly entering the pilot decreased by 6 percent over the year after they exited the pilot, the same costs increased by 17 percent for participants with longer prior GR exposure (though their post-pilot costs were still 43 percent below the costs they incurred during their year prior to entry in the pilot).
- If DPSS had gotten all pilot participants during the observation period to enter the pilot at their GR intake, annualized net cost savings would have been \$5 million higher relative to the savings projected if these participants had all entered the pilot after more than six months on GR.

The cost savings analysis in this study demonstrates that the timing of participant entry into the pilot is critical. Cost savings are significantly higher if GR recipients enter the housing subsidy and enhanced case management program at or around the time of their entry into GR. The participant dynamics underneath this finding are clear: Earlier entry into the pilot stabilizes the life of a homeless GR recipient more quickly, thereby reducing the need for services more quickly. On the other hand, homeless GR recipients entering the pilot after an extended period of homelessness have longer periods of instability and therefore higher costs for a longer period of time.

Recommendation: Target employable GR recipients with recent work history for recruitment into the housing subsidy and case management program, especially those who have recently lost jobs during the current economic crisis.

Relevant Findings:

- Almost 40 percent of employable pilot participants found new employment after entering the pilot, a proportion that is nearly twice as high as the employable GR recipients in the control group.
- A significant majority (80 percent) of the participants in the employable pilot group who found jobs after entering the pilot had some prior history of employment. Moreover, every additional month of past work experience increased the likelihood a pilot participant would find a new employment by more than 50 percent.

Although the pilot program was shown to help participants with no recent work experience in finding jobs, past work experience was the most significant factor affecting the likelihood that a pilot participant would obtain a new job. Targeting recipients with previous work experience for recruitment into the housing subsidy and case management program would be an effective way to build on the success the pilot has had with employable GR recipients, both in terms of employment outcomes and cost avoidance.

Recommendation: Review the procedures and instruments involved in assessing the employability of pilot participants and improve the employability screening process.

Relevant Findings:

- Almost half of the participants in the employable/GROW pilot group who did not obtain employment over the observation period were categorized as employable during some parts of their time in the pilot and unemployable during others.
- Each time the ratio of unemployable to employable months increases by one unit, a pilot participant's likelihood of gaining employment decreases by 10 percent.

The analysis of employment outcomes indicates that the pilot project commingles substantial numbers of questionably employable participants with those who are more unambiguously employable. Many employable participants are later found to be unemployable and vice versa. This diminishes the pilot's effectiveness in helping genuinely employable participants find jobs. While changes in participant circumstances may contribute to changes in their employability status over time, there is adequate evidence suggesting a need to improve the screening process. It is therefore recommended that DPSS revisit the process and procedures involved in assessing participant employability.

Recommendation: Undertake far-reaching efforts to target all SSI-eligible GR recipients for recruitment into the housing subsidy and case management program. In connection with these efforts, DPSS should work collaboratively with DHS to ensure that cost savings are maximized through retroactive Medi-Cal and IAR payments for program participants approved for SSI.

Relevant Findings:

- The cost avoidance analysis offered in this report calculated that, while annual medical costs for disabled GR recipients who did not participate in the pilot were \$15 million, the same annualized costs for 900 disabled pilot participants would be just over \$6 million.
- Reimbursement of an additional \$2 million could be expected for the 30 percent of disabled pilot participants assumed to be approved for SSI during their year in the housing subsidy and case management program. After deducting \$3 million in program costs, the estimated savings for the pilot year would be almost \$7.5 million.
- For disabled pilot participants, the savings for the post-pilot year are estimated to be almost \$12 million, yielding a two-year net savings of over \$19 million based on a conservatively estimated 30 percent SSI approval rate. An additional ten percent increase in the SSI approval rate would yield another \$2 million in savings over two years.

While the patterns and frequency of service utilization observed among disabled GR recipients are expensive for the County, they also present an important opportunity for cost avoidance. The monthly grant available to recipients approved for SSI, as well as the comprehensive medical care SSI recipients receive through Medi-Cal, and the reimbursements the County receives for those approved for SSI, make it imperative that DPSS target all potentially SSI-eligible GR recipients for participation in the housing subsidy and case management program. Additionally, DPSS should coordinate its efforts with DHS to ensure that Medi-Cal and IAR payments are fully retrieved for GR recipients approved for SSI.

Recommendation: Bolster the SSI advocacy services DPSS provides together with the pilot – e.g. the SSIAP program and DHS/DMH/LASD Document Retrieval Services – in order to enable quicker SSI disability claims.

Relevant Findings:

- The median time for disabled participants between entry into the pilot and submission of an SSI application was seven months.

- Decisions on SSI applications from pilot participants were made in an average of six months. On average, then, more than 13 months were required for pilot participants to submit SSI applications and receive decisions from the State.

An average of more than one year was required for pilot participants to submit SSI applications and receive decisions. Additionally, one quarter of the potentially SSI-eligible pilot group required almost two years to apply for SSI and receive decisions. DPSS cannot control the speed with which decisions are rendered at the State level, and no significant differences were observed between the pilot and control groups in terms of the amount of time it took SSI applications to be decided once they were submitted. However, the front end of the process – i.e. the seven months it took, on average, for disabled pilot group participants to make SSI applications – can potentially be shorted with an enhancement of the Department's SSI advocacy services. Shortening the time necessary to make applications would enable both participants and DPSS to more quickly reap the benefits of SSI.

Recommendation: *Make additional efforts at intake and throughout the course of case management sessions to encourage participants to remain in the housing subsidy and case management program.*

Relevant Findings:

- After exit from the pilot, the extent of homelessness among pilot participants who stayed in the pilot more than three months dropped to ten percent, as compared to the 63 percent of the time participants were homeless between 2005 and their entry into the pilot. However, for pilot group participants who stayed in the pilot for three months or less, the extent of homelessness after leaving the pilot only dropped to 30 percent.
- More than one-third of all participants who left the pilot but either (a) remained in GR, or (b) exited GR and came back later, had at least one month of homelessness through the end of December 2008. However, the proportion that became homeless again was 50 percent amongst the subset of participants who stayed in the pilot for three months or less before leaving.
- Every additional month participants remained in the pilot made them nine percent less likely to become homeless again after exit from the pilot.
- When participants who stayed in the pilot for more than three months exited the pilot, their service costs decreased by four percent from their in-pilot levels, as compared with the 40 percent increase in service costs for participants who only stayed in the pilot for less than four months. Most notably, inpatient health costs for participants staying in the pilot for less than four months more than doubled after exit from the pilot, residential public health services increased by 60 percent, and jail costs increased by 30 percent.

- Overall service utilization costs for participants who stay in the pilot less than four months are higher in the year after they exit the pilot relative to their pre-service costs in the year prior to entry. On the other hand, for participants staying in the pilot more than three months, overall service costs in the year after exit from the pilot are half of the overall service costs they incur in the year prior to entry.

In the absence of the pilot, a larger proportion of homeless GR recipients would have remained homeless for significantly longer periods of time. This is critical because between 55 and 67 percent of the GR population is estimated to be homeless. However, after exiting the pilot, homelessness issues persisted to a certain degree, especially for those participants who did not stay in the pilot for more than three months. The analysis of homelessness prevention outcomes shows that longer stays in the program decrease the chances that participants will become homeless again after exiting the program. In addition, the cost savings analysis shows that longer stays in the pilot program are much more effective in offsetting the need for services after exit from the pilot, thereby yielding greater cost savings. It is therefore recommended that additional efforts be made at intake and in case management sessions to encourage participants to remain in the housing subsidy and enhanced case management program.

Recommendation: Re-work the pilot's 'chronically homeless' participant category.

Relevant Findings:

- The pilot participants placed in the 'chronically homeless' category were not found to have prior experiences of homelessness that differed significantly from participants placed in either the employable/GROW or potentially SSI-eligible pilot categories.
- Other than a reduction in the extent of homeless, the analysis of homelessness prevention outcomes did not reveal any findings specific to pilot participants who had been placed in the 'chronically homeless' category.

The chronic homelessness of pilot participants is difficult to verify because it is based on self-declaration, which may not be accurate in reflecting their real experiences with homelessness. Additionally, the data shows that the entire pilot sub-groups (employable/GROW, potentially SSI-eligible and chronically homeless) had similar histories of homelessness prior to entry into the pilot. For these reasons, it is recommended that DPSS replace the chronically homeless pilot participant category with a different category that would facilitate targeting a meaningful group of GR recipients for the housing subsidy and case management program. For example, there may be sub-populations identified in the ALP report that could be targeted for participation in the program, such as heavy users of County services, participants with prior drug abuse or mental health problems, or GR participants with multiple stays in jail. However, identifying an appropriate and distinct group of participants for the pilot may require additional research.

Recommendation: *County departments providing services to GR recipients should re-invest at least part of the cost savings yielded through the housing subsidy and case management program back into this program.*

Relevant Findings:

- The total annualized service utilization cost for the 900 participants in the pilot group after their year in the pilot was \$5.2 million, as compared with the \$14.5 million it cost to provide services over the same period of time to 900 control group participants.
- Participation in the pilot yielded over \$5 million net savings at the end of the pilot year, after deducting the annual pilot project budget of \$4.2 million.
- Annualized costs for GR housing subsidy and case management program participants continue to drop even further after they exit the program.

The total estimated net savings for DHS, DMH, DPH and the Sheriff were over \$11 million in two years. The cost differences in inpatient, emergency, and residential alcohol and drug services, as well as in services associated with incarceration, are particularly large. The departments benefiting from the cost savings yielded through participation in the housing subsidy and case management program should reinvest at least part of these savings back into the program. These monies would provide funds to help with the expansion of the program countywide.

Recommendation: *As a strategy for preventing overcrowding in subsidized housing, consider increasing the rental subsidy amount from \$300 to \$500, at least for the potentially SSI-eligible program participants for whom a relatively high return on investment is possible.*

Relevant Findings:

- Roughly one-third of the pilot participants lived alone while they were in the pilot, while two-thirds shared their housing for at least one month. The proportion of participants living in shared housing is even higher (75 percent) among participants who remained in the pilot for more than three months.
- An average of 3.5 pilot participants lived together in shared housing units during the observation period for this study. However, when recipients from other welfare programs are included in the calculations, pilot participants lived in rental units where the average number of occupants was 5.

Shared housing is very common among pilot participants since it is almost impossible to live alone in Los Angeles County for \$436 per month. The data used in conducting the evaluation of homelessness prevention outcomes indicates that the average number of occupants living in shared housing where pilot participants reside is five (if recipients

from other welfare programs are included in the calculations), which suggests that high rental costs in Los Angeles County compel substantial numbers of pilot participants to live in overcrowded conditions. DPSS should monitor participant housing arrangements to ensure that they are decent, safe and sanitary. Moreover, the department may wish to consider increasing the rental subsidy amount to \$500 per month, at least for the potentially SSI-eligible participants for whom a comparatively large return on investment in subsidized housing is possible. An increase in the subsidy amount would help diminish the problem of overcrowding, thereby increasing the likelihood participants will stay in the pilot program for a longer period of time.

Next Steps

DPSS has assembled a workgroup for the purpose of restructuring GR so as to make the program more effective and efficient. The workgroup consists of policymakers from multiple County departments that serve the GR population, as well as welfare and homeless advocates, policy researchers and analysts, and the CEO. Expansion of the GR Housing Subsidy and Case Management Pilot Project is one of five strategies the GR workgroup is currently pursuing in connection with the restructuring efforts. The other four strategies are enhancement of the GR SSI and Medi-Cal Advocacy Program (SSIMAP), implementation of DHS/DMH/LASD Document Retrieval Services, enhancement of services for unemployable GR recipients, and enhancement of services for youth (GR recipients between the ages of 18 and 24).

The results of this evaluation demonstrate that the positive effects of participation in the GR Housing Subsidy and Case Management Pilot Project touch both GR recipients and DPSS as a department, and additionally extend to the other major County departments serving the GR population. The report underscores the urgency of expanding the pilot project and verifies that countywide implementation of the pilot should be central to the GR workgroup's efforts to re-make the GR program.

**General Relief (GR) Restructuring Workgroup
Participating Organizations**

<u>County Departments</u>	<u>Community Stakeholders</u>
Chief Executive Office	Commission for PSS
County Counsel	Hunger Action L.A.
Department of Public Social Services	Legal Aid Foundation of Los Angeles
Department of Health Services	Weingart Center
Department of Mental Health	Jewish Vocational Services
Department of Public Health	SEIU 721
Probation Department	Mental Health Advocacy Services
Sheriff's Department	Neighborhood Legal Services
Department of Children and Family Services	Shelter Partnership
Department of Community and Senior Services	Public Counsel
Public Defender	